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## MEMORANDUM FOR DISTRIBUTION

Subj: MANDATORY USE OF DEPARTMENT OF THE NAVY ENTERPRISE LICENSING AGREEMENTS

- Ref: (a) Under Secretary of the Navy Memorandum of December 3, 2010, Subj: Department of the Navy (DON) Information Technology (IT) /Cyberspace Efficiency Initiatives and Realignment
- (b) Department of the Navy (DON) Chief Information Officer (CIO) Memorandum of December 20, 2010, Subj: Department of the Navy (DON) Information Technology (IT)/Cyberspace Efficiency Initiatives and Realignment Tasking
- (c) Defense Federal Acquisition Regulation Supplement (DFARS) 208.74
- (d) DFARS and Procedures, Guidance, and Information (PGI) 208.7403
- (e) Department of the Navy Budget Guidance Memorandum BG11-1G of April 19, 2011, Subj: Guidance for the Preparation and Submission of the FY 2013 Program/Budget Estimates for the Department of the Navy (DON) Program/Budget Review
- (f) Deputy Assistant Secretary of the Navy for Budget Memorandum of September 29, 2011, Subj: Fiscal Year 2012 Guidance for Financial Recording of Information Technology Obligations and Expenditures in STARS
- (g) DON CIO Memorandum of September 19, 2011, Subj: Release of Department of the Navy Enterprise Architecture Version 3.0.000

- Encl: (1) Proposed List of Department of the Navy Enterprise Licensing Agreement (DON ELA) Opportunities
- (2) Department of the Navy Enterprise Licensing Agreement (DON ELA) Waiver Request Process

The purpose of this joint memorandum is to announce the mandatory use of Department of the Navy (DON) Enterprise Licensing Agreements (ELAs) by all DON organizations and programs to achieve maximum cost savings. Effective immediately, where a DON ELA exists, any software products, hardware, and related services offered by that ELA must be procured using that ELA, including those procured by government purchase cards. Furthermore, this policy establishes business rules that apply after a determination has been made that a product meets a validated need, based on technical requirements consistent with procurement regulations. Once the determination has been made, this policy establishes use of the enterprise vehicles as the means to procure the product.

Subj: MANDATORY USE OF DEPARTMENT OF THE NAVY ENTERPRISE LICENSING AGREEMENTS

In most cases the DON ELAs will be primarily software product focused. In some cases, however, DON ELAs may include software related services and hardware components, such as switches, routers or database appliances in the agreement, as well as related services. Related services are defined as services necessary for the effective use of the commercial software product, including software maintenance. Software maintenance is defined as services normally provided by a software company as standard services at established catalogue or market prices (e.g., the right to receive and use upgraded versions of software, updates, and revisions).

Reference (a) tasks the Department to leverage its expertise to be more efficient in its Information Technology (IT) procurement and business processes, while being supportive of Department of Defense (DoD) IT consolidation efforts. Reference (b) established eight DON IT/Cyberspace Efficiency Integrated Product Teams (IPTs). The focus of the Enterprise Software Licensing (ESL) Integrated Product Team-3 (IPT-3) is to improve the DON's ability to assess and procure enterprise solutions in the IT/cyberspace investment decision process. Reference (b) assigns the Marine Corps as the DON Lead Integrator for IPT-3. The Marine Corps assigned the specific responsibilities associated with the leadership of IPT-3 to the Marine Corps Systems Command, Information Systems and Infrastructure Directorate. The Marine Corps Software Enterprise License Management System (MCSELMS) Project Office within the Information Systems and Infrastructure Directorate will manage execution of this strategic sourcing initiative.

Based on analysis of DON IT spending on software, the DON Chief Information Officer (CIO) identified several potential DON ELA opportunities; see enclosure (1). Where a DON ELA opportunity is supported by an approved Business Case Analysis (BCA), the DON CIO will request the MCSELMS project office determine the projected award date of the opportunity, update it as needed, and forward it to the DON CIO for review. The DON CIO will then post it to an access controlled website linked to <http://www.doncio.navy.mil>; instructions for access will be posted as well.

The DON CIO has authority within the DON to decide upon requests for waivers to this policy. The DON CIO expects that waivers will be granted sparingly; for example, in cases of overseas contingency operations and in emergency situations, to ensure maximum cost savings are achieved and all other benefits associated with DON ELAs are realized. In cases of overseas contingency operations or emergency situations only, the commanding officer is authorized to approve the waiver; however, the waiver must be submitted to the respective DON Deputy CIO at the earliest opportunity. The DON Deputy CIO (Navy) and DON Deputy CIO (Marine Corps) are delegated authority by the DON CIO to grant waivers for their respective Services, and this authority may not be re-delegated, except as noted above. The DON CIO will continue to consider waiver requests for the Secretariat and will consider appeals for waiver requests denied by the DON Deputy CIO (Navy) and DON Deputy CIO (Marine Corps). Enclosure (2) provides the process for requesting waivers to DON ELAs via the DON variant of the DoD Information

Subj: MANDATORY USE OF DEPARTMENT OF THE NAVY ENTERPRISE LICENSING AGREEMENTS

Technology Portfolio Repository (DITPR-DON). The DON CIO will monitor all ELA waiver requests via DITPR-DON. Points of contact for waivers are Mr. Don Reiter, [donald.reiter@navy.mil](mailto:donald.reiter@navy.mil), (703) 695 1972, for the DON CIO; Ms. Robin Thomas, [robin.a.thomas@usmc.mil](mailto:robin.a.thomas@usmc.mil), (703) 693-3488, for the Marine Corps; and Ms. Andi St. John, [andrea.stjohn@navy.mil](mailto:andrea.stjohn@navy.mil), 571-256-8512, for the Navy.

To support the proper management of DON ELAs, effective immediately the following is directed:

MCSELMS, in coordination with Program Executive Office for Enterprise Information Systems (PEO EIS) and IPT-3, will:

1. Execute the overall DON ELA strategy and identify the business rules necessary for the award of each ELA to optimize usability by the Department.
2. Ensure the projected DON ELAs and timeline schedule located at the access controlled website linked to <http://www.doncio.navy.mil> are maintained in an up-to-date status for proper planning and execution purposes and forwarded to the DON CIO for review and posting.

DON Deputy CIO (Navy), DON Deputy CIO (Marine Corps), PEOs, Command Information Officers, Program Managers, and Contracting Activities will ensure:

1. Processes are in place to comply with this policy.
2. The projected DON ELAs and timeline schedule, located at <http://www.doncio.navy.mil>, are reviewed prior to initiating/issuing procurement actions for software and related products. During the interim period, before a DON ELA is awarded, immediate mission needs may be met via other contract vehicles. However, the interim procurement plan should consider quantity, period of performance, and other factors to maximize use of DON ELAs as soon as practicable once they become available.
3. Each Service will use its current processes for budgeting and ordering until such time as a DON-wide common ordering tool has been implemented.
4. Products included in DON ELAs are procured only through DON ELAs and that the use of the software is consistent with the terms and conditions of the ELA. This includes commercially available software and software maintenance acquired:
  - a. As part of a system or system upgrade. With regard to commercial off-the-shelf (COTS) software embedded in weapons systems, ships' systems, aircraft, and similar platforms, a waiver will be submitted when the risk is determined to be unacceptable or for other compelling reasons.
  - b. Under a service contract for Government use;
  - c. Under a contract or agreement administered by another agency, such as an interagency agreement; or
  - d. By a contractor that is authorized to order from a Government supply source pursuant to FAR 51.101.
5. Processes prescribed in references (c) and (d) are not duplicated, as they have been fully satisfied through the establishment of the DON ELAs.


Subj: MANDATORY USE OF DEPARTMENT OF THE NAVY ENTERPRISE LICENSING AGREEMENTS

Comptrollers of Budget Submitting Offices will take appropriate measures to ensure:

1. That established command procedures are incorporated into fiscal processes.
2. Budget submissions use the High Interest Item (HII) codes, as directed by reference (e), located at <http://www.doncio.navy.mil>. The HII codes will inform senior leadership, MCSELMS, and IPT-3 of future ELA opportunities as well as assist in oversight of budgeting for and use of DON ELAs.
3. Activities using the Standard Accounting and Reporting System (STARS), either Field Level (FL) or Headquarters Claimant Modules (HCM), comply with reference (f).

The DON Enterprise Architecture (EA) v3.0.000, via reference (g), mandates use of enterprise software agreements such as DON ELA, SmartBUY and DoD Enterprise Software Agreement (ESA) vehicles. All information technology programs, projects, and initiatives, including national security systems, will be assessed annually via the DON EA functionality in DITPR-DON for their compliance with this mandate. It should be noted that this policy regarding DON ELAs does not replace or change the pre-existing requirements under reference (c), which take precedence and are the foundational basis for the development of the DON ELAs. The DoD Enterprise Software Initiative provides DoD-wide ESAs. Where a DoD ESA exists and a DON ELA has not been established for commercial software, the requirements in reference (c) must be followed.

Questions regarding this policy should be directed as follows: the DON CIO Lead is Mr. Don Reiter, [donald.reiter@navy.mil](mailto:donald.reiter@navy.mil), (703) 695 1972; ASN (FM&C) POC is Ms. B. J. Dauro, [bj.dauro@navy.mil](mailto:bj.dauro@navy.mil), (703) 692-4840; ASN (RD&A) POC is Mr. Roger Yee, [roger.yee@navy.mil](mailto:roger.yee@navy.mil), (703) 693-4019. Additional points of contact and associated information will be posted at <http://www.doncio.navy.mil>.



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Subj: MANDATORY USE OF DEPARTMENT OF THE NAVY ENTERPRISE LICENSING  
AGREEMENTS

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NAVIOCOM  
COMMARCORSYSCOM  
MARFORCYBER

Proposed List of Department of the Navy  
Enterprise Licensing Agreement (DON ELA) Opportunities

- Microsoft
- Cisco
- Oracle
- VMware
- NetApp
- EMC
- IBM
- HP
- Adobe
- Symantec
- Xerox
- Autodesk
- ActiveIdentity
- Bel Arc
- Axway

## DON Enterprise Licensing Agreement (ELA) Waiver Request Process

- Ref: (a) Under Secretary of the Navy Memorandum of December 3, 2010, Subj: Department of the Navy (DON) Information Technology (IT) /Cyberspace Efficiency Initiatives and Realignment
- (b) Department of the Navy (DON) Chief Information Officer (CIO) Memorandum of July 19, 2011, Subj: Department of the Navy Information Technology Expenditure Approval Authorities (ITEAA)

All ELA waiver requests shall be submitted via DoD Information Technology Portfolio Repository (DITPR-DON) in accordance with procedures as set forth below. **(The requesting organization must ensure that an Information Technology Expenditure Approval Authorities (ITEAA) authorization to purchase the software has been received prior to requesting this waiver in accordance with references (a) and (b)).**

1. The following process shall be followed for ELA waivers required for software, hardware, or related services that are part of a system/program registered in DITPR-DON.
  - a. Program Managers complete the DON Enterprise Architecture (DON EA) compliance process in DITPR-DON, using the "Other" trigger event, and specify in the comment section that this is a waiver request for purchase of software, hardware, or related services outside of a DON ELA.
    - Assert "yes" to the ELA applicability question (Have a requirement for software available via a DON ELA).
    - Assert "no" to the compliance question (Plan to procure software available via a DON ELA?). Once the submit button at the bottom of the page has been selected, an ELA waiver request tab will be automatically generated. The ELA waiver request tab should be completed in accordance with the information specified below in Table 1.
  - b. Once the ELA waiver request has been submitted, the appropriate stakeholders will review and provide a recommendation, with final approval authority being DON Deputy CIO (Navy), DON Deputy CIO (Marine Corps), or DON CIO for Secretariat waiver requests. If the waiver request is urgent, it is recommended that the Program Manager notify the applicable Echelon II Command Information Office (Navy) or Functional Area Manager (FAM) (USMC) via email.
  - c. The Program Manager will be notified of the final adjudication of the waiver request by the final approval authority via email within 10 working days, assuming all requested information was provided in the request.
2. The following process shall be followed for ELA waivers required for software, hardware, or related services that are not part of a system/program registered in DITPR-DON.
  - a. Upon notification of an ELA waiver requirement, the Navy Echelon II Command Information Officer (IO), the Marine Corp Enterprise Services (ES) Functional Area Manager (FAM), or DON/AA will register an initiative in DITPR-DON,

which will be used as the mechanism for requesting the required ELA waiver. For example, the initiative might be titled “(Command X)-wide purchase of (Software Product X).”

- b. Once the initiative is registered in DITPR-DON, the DON EA Tab will be used to submit the waiver request, selecting “Other” triggering event. The triggering event comment section will include a statement that this is a waiver request for purchase of software, hardware, or related services outside of an ELA.
- c. The Echelon II Command Information Officer or Marine Corps ES FAM will:
  - Assert “yes” to the ELA applicability question (Have a requirement for software available via a DON ELA).
  - Assert “no” to the compliance question (Plan to procure software available via a DON ELA). Once the submit button at the bottom of the page has been selected, an ELA waiver request tab will be automatically generated. The ELA waiver request tab should be completed in accordance with the information specified below in Table 1.
  - Note: It is likely that all remaining DON EA questions within DITPR-DON, with the exception of the ones associated with the ELA artifact, should be answered as “no” or “n/a”.
- d. Once the ELA waiver request has been submitted, the appropriate stakeholders will review and provide a recommendation, with final approval authority being the appropriate DON Deputy CIO (Navy), DON Deputy CIO (Marine Corps), or the DON CIO for Secretariat waiver requests. If the waiver request is urgent, it is recommended that the Echelon II Command IO (Navy), FAM (USMC), or DON/AA communicate the ELA waiver request via email.
- e. The Navy Echelon II Command IO, the Marine Corp ES FAM, or DON/AA will be notified of the final adjudication of the waiver request by the approval authority via email within 10 working days, assuming all requested information was provided in the request.



**Table 1. Information Required for Submitting DON ELA Waiver Request in DITPR-DON (All Information must be provided)**

<b>Information</b>	<b>DITPR-DON Location</b>
Software (publisher, name, and version)	MAP Tab & Reason for Waiver Request in ELA Waiver Tab
Operational requirement for the software	Reason for Waiver Request in ELA Waiver Tab
Statement that “The organization requesting the waiver understands that contract options will be assessed on an annual basis and approval of this request will ensure near-term solution to purchasing requirements while providing the means to transition to the DON ELA as quickly as practicable.”	Reason for Waiver Request in ELA Waiver Tab
Number of seats, licenses, or processors	Reason for Waiver Request in ELA Waiver Tab
Software purchase price (by product)	Reason for Waiver Request in ELA Waiver Tab
Software maintenance and support costs	Reason for Waiver Request in ELA Waiver Tab
Cost if purchased through DON ELA (by product, separately include maintenance and support costs)	Reason for Waiver Request in ELA Waiver Tab
Cost savings or over-expenditure realized by using method other than DON ELA	Reason for Waiver Request in ELA Waiver Tab
Other compelling reasons why use of DON ELA will not satisfy requirements (include supporting documentation)	Reason for Waiver Request in ELA Waiver Tab or DOC Tab (as appropriate)
Contracting Activity/Office	Reason for Waiver Request in ELA Waiver Tab
Alternative Contract Vehicle(s) Targeted for Use	Reason for Waiver Request in ELA Waiver Tab or DOC Tab (as appropriate)
Duration of requested waiver	Planned Compliance Date in ELA Waiver Tab